

Exhibit 4

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The Net Zero Asset Managers initiative

Signatory Disclosure

The Vanguard logo, featuring the word "Vanguard" in a bold, red, serif font.

Vanguard

Vanguard is an American-based investment management firm headquartered in Pennsylvania with 17 offices globally across North America, Europe, Asia, and Australia. It joined the Net Zero Asset Managers Initiative on 29 March 2021 and its initial target disclosure was published on 1 May 2022.



INITIAL TARGET DISCLOSURE: MAY 2022

4% of total AUM

initially committed to be managed in line with net zero

USD \$290 billion

currently committed to be managed in line with net zero

Information on interim target(s) covering the proportion of assets to be managed in line with net zero

Baseline(s):

2019 Portfolio coverage baseline

Each fund will have a different baseline performance relative to its benchmark.

Target(s):

2030 Portfolio coverage target

17% of actively managed assets totalling USD 1.7 trillion is currently invested in a net zero aligned manner.

Under the portfolio coverage approach, by 2030, each strategy is expected to reach at least 50% of market value in companies with targets consistent with a net zero glidepath. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement: Limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

GHG scopes included:

For the committed funds, emission data coverage of Scope 1 and 2 emissions is 96% of market value for equity assets and 74% for fixed income assets.

The data quality and coverage of estimated Scope 3 emissions is currently too low to be incorporated into standard weighted average carbon intensity (WACI) measurements. As reporting and methodologies improve, we expect coverage to increase.

Methodology:

Science Based Target initiative for Financial Institutions


Scenario(s):

The targets set by each fund follow a portfolio coverage glidepath that are consistent with science-based pathways.

Additional information

Proportion of AUM committed:

Our meaningful engagement with portfolio companies on climate risk across both our actively managed and index-based products and our approach reflects the different nature of these investment strategies. We remain clear that our duty to maximize returns for the investors in our products is our central objective. We believe any successful transition supporting net zero aligned investing will require the action of governments and policymakers.

Of the products included in the disclosure, representing USD 1.7 trillion in actively managed assets under management, we identified USD 290 billion, or 17% of the total, that are investing in a net zero-aligned manner. A portion of these assets is in actively managed ESG products with net zero commitments as part of the product design. 

The assets also include actively managed funds without explicit ESG mandates that nonetheless align to net zero objectives because of the existing philosophy and process used by the investment managers to maximize total returns for investors. These managers account for and consider climate risk in their process and believe that robust science-based strategies for managing climate risk will be critical for companies to deliver long-term shareholder value.

Policy on coal and other fossil fuel investments:

We have published the following [report](#) outlining Investment Stewardship's expectations for companies with significant coal exposure in our equity index funds. As part of our fiduciary duty to shareholders in the Vanguard funds to support the long-term value of their investments, we seek to understand the actions coal-exposed companies are taking to mitigate this risk.

Further information:

Target setting: As Vanguard considers how our approach may evolve to include a greater portion of our actively managed assets, several considerations will be important. These include evolving net zero methodologies in assets in which net zero methodologies either do not exist or are evolving, the way varying investment approaches to mitigate climate risks evolve, and how methodologies could be developed to account for multi-manager product structures that have portions of the product managed in a net zero-aligned manner.

Approximately 80% of Vanguard investors' assets are held in index funds, the majority of which, by mandate, track broad equity and fixed income market indexes. These assets cannot be committed to net zero targets without substantial action by the underlying companies or clarity on government actions related to climate risks. While we have excluded our index funds in our initial NZAM commitment, Vanguard's investment stewardship and credit research teams engage with portfolio companies held in our index funds to better understand how they are addressing material risks, including climate risks.

Of the more than \$5 trillion in index equity assets that Vanguard manages, over \$1 trillion is invested in companies that have committed to net zero targets, according to data from MSCI. And per MSCI, an additional \$2.8 trillion in assets are invested in companies that have some other form of emission reduction targets. In total, more than 70% of Vanguard's index equity assets are invested in companies with publicly stated emission reduction goals. Our investment stewardship teams will continue to engage with companies about their commitments.

We expect proper board oversight, appropriate risk mitigation, and effective disclosure. This is done to ensure that these risks do not undermine the long-term investment outcomes of our investors.

Vanguard's [corporate sustainability goals](#), [approach to climate change](#), [TCFD report](#), and [stewardship annual report](#)

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